THE NEW YORK HERALD

THE BEST IN ITS HISTORY.

The New York Herald, with all that was best of The Sun intertwined with it, and the whole revitalized, is a bigger and better and sounder newspaper than ever before.

VOL. LXXXVI.—NO. 91—DAILY.

NEW YORK, TUESDAY, NOVEMBER 29, 1921.—ENTERED AS SECOND CLASS MATTER,

PRICE TWO CENTS

MILLIONS BORROWED DESPITE BIG DEFICIT FOR I.R.T. DIVIDENDS

Shearn, in Transit Hearing, Charges Violations of the Civil and Penal Law.

ROKE MORGAN PLEDGE

apital Stock Scaled to \$50,-000,000 in Face of Liabilities of \$202,000,000.

L' FARE OUTLOOK SERIOUS

Hedley Avers I. R. T. Paid More for Coal Than B. R. T. -Directors Testify To-day.

Through evidence elicited by him sterday in the transit examination arence J. Shearn, special counsel ve that the old board of director the Interborough Consolidated Cor-Rapid Transit Company, who were had been guilty of violating the corration and the penal law in two different particulars.

The legal limitations which the ex of its capital stock by a corporation at a time when its liabilities exceed assets and the law forbidding the tribution of dividends at cost o

In laying the foundation for these harges Mr. Shearn used as his witss Horace S. Fisher, who is a tor as well as the secretary of he Interborough Rapid Transit Com any. As his first witnesses this rning the examiner expects to call were members of those boards f directors during the period conerned. Among them are August Selmont, E. J. Berwind, who recently

Loan Conditions Ignored.

Other sensational revelations yesterday were that the Interborough Rapid Transit Company, just before voting the enormous dividends of 1917 and 1918, was a borrower in huge sums from various local banks and trust companies, and hat there had been violation of one of he written conditions on which J. P. Morgan & Co., in the latter part of 1918, and agreed to float the company's issue of 7 per cent. notes to finance subway quipment under contract No. 3.

While Mr. Fisher was in the witness thair Mr. Shearn got into the record deals of the "reorganization" in 1915 of he old interborough Consolidated hrough the "merger" with a small consern known as the Finance and Holding Torporation. One of the most important has its of this "reorganization" was that they it the \$148,000,000 capital stock of The party was well along in mid-

esuits of this "reorganization" was that my it the \$148,000,000 capital stock of the old Interborough-Metropolitan was scaled down to \$50,000,000 capital stock in the newly formed holding company—linerborough Consolidated.

"It is well known, is it not," asked Mr. Shearn, "that it is a violation of the law for a corporation to reduce its capital below the amunt of its liabilities."

"I understand it is," said the witness.
"And the liabilities of this same consern of a different name were, before this transaction, \$102,000,000, so by this transaction, which I venture to call a scheme, the company did effect an enormous reduction in its capital stock below its liabilities."

Ton sir" answered Mr. Fisher. Capital Stock Is Reduced.

"In other words, continued the ex-uiner, if it had not been for this sange of name and the transaction that went through with in form with the mance and Holding Company the prac-cal effect of what they did was prey that of voting to reduce their own tal stock down to \$50,000,000?" Yes, that was the not result," admit-

"And continued to distribute those sividends during the years 1916, 1917 and 1918" "Correct," replied the I. R. T. secre-

"Correct," replied the I. R. T. secreisty.

With the minute books of the board
of directors before him, Mr. Shearn read
acceptus showing that declaration of
these 1715 and 20 per cent, dividends
was preceded by the negotiation of
large loans by the I. R. T. directorate.
The record of these dividends and of
the borrowings ran thus:
Quarterly dividend of 21,750,000 deulared in September, 1917, payable October 1; leans of \$1,000,000 each from the
National Park Bank and the Chatham
and Phenix Bank, made six days prior
to date of *dend payment. Final
rusrterly dividend for 1917 of \$1,750,000,
hared in November for payment Janry 2, 1915; loan of \$1,000,000 from Inthorough Consolidated made seven

iding company.

The first quarterly dividend of 1918,
for \$1,750,00¢, payable April 1.

Reported Missing at Sea



Lieut.-Col. Charles W. Whittlesey.

FOUND GIRL IN HEAP, ARBUCKLE'S STORY

Virginia Rappe Taken III While Alone in His Bathroom, Actor Testifies.

DENIES ALL CULPABILITY

Says He Tried to Soothe of the Lost Battalion was removed Actress and That Threat Was for Mrs. Delmont.

Special Despatch to THE NEW YORK HENALD San Francisco, Nov. 28 .- In a court crowded to its utmost, Roscoe Arbuckle, on trial for manslaughter in connection with the death of Virginia Rappe, motion picture actress, took nd on his own behalf to-day. at the party in his rooms in the St. Francis Hotel on September 5, when

The party was well along in midafternoon, the defendant said, when Virginia got up suddenly and went into his room. He did not notice it at the time; did not know where she had gone. He was busy with his "guesta." Miss Taube reminded him of their "engagement" to go for a ride. He went into his room to change his clothes, as he had been dressed in a purple bathrobe when the guests arrived.

guests arrived.

McNab pulled a gaudy, decorative affair from beneath the counsel table and took it to the witness chair. Arbuckle

utes. When he returned Virginia Rappe was gone.
He told of looking around for her, of hearing a moan and finding her lying between the two beds on the floor doubled up in intense agony, moaning and crying. He explained that the beds were too close together for a "straight life" and how he squeezed his bulk between them until he could get the girl back on the bed.

He then went for aid. He opened the door of the room, he said, to find Mrs. Delmont and other women there. They entered and took charge of Miss Rappe. He went out. When he returned she was tearing her clothing and in bysterics. He attempted to help her, but Mrs. Delmont ordered him from the room, he said.

Told Mrs. Delmont to Shut Up." "I told her to shut up or I would nrow her out of the window," he says

throw her out of the window. he says he replied.

The jury sat up at that—at the quotation of this sentence that has been attributed as Arbuckle's callous remerk to Virginia Rappe. The defence has never chellenged that until to-day when Arbuckle himself went on the stand. Then he admitted making it, but says he made it to Mrs. Delmont.

Then Arbuckle had Miss Taube call Boyle, the hotel manager. When the manager arrived Fishbach's bathrobe was put around the girl and she was carried to another room. Arbuckle said

Continued on Page, Five,

WHITTLESEY, HERO

Left Several Letters.

24 Hours Out From New Loans Not Cancelled, but York on Way to Havana When Missed.

Change Observed After He At- This One Would Insure Ulti tended Funeral of Unknown Soldier at Washington.

Charles W. Whittlesey, lawyer, of 14 Wall street, famous as the comander of the battalion of the Seventy-seventh Division which was lost disappeared at sea on Sunday. He was reported missing from the steamship Toloa of the United Fruit Company. when the vessel was twenty-four hours out of New York on the way to Ha-

not even know that he had sailed. They were incredulous yesterday when a radio message was received from Capt. Grant of the Toloa. It said: "Passenger Charles W. Whittlesey, New York, disappeared noon Sunday. Left several letters." Doubt that this could be Whittlesey

little by little until his associates were reluctantly compelled to believe that the missing man was indeed the Lieu-

Col. Whittlesey had gone to an American Express office, apparently on Friday, and bought a ticket for Havana. Clerks in the office had recognized him. On Saturday morning he was recognized as Col. Whittlesey by a ticket agent and baggage agent at the United Fruit Company pier. Yesterday, while an investigation started by the receipt of Capt. Grant's message was under way, these two agents went to the office of John B. Pruyn, Col. Whittlesey's close friend and former law partner, at 2 Rector street. They were positive that a photograph of Col. Whittlesey on Mr. Pruyn's wall, taken at the moment when Gen. Clarence R. Edwards was pinning the Congressional Medal of Honor on Col. Whittlesey's breast, was that of the man who had departed on the Tolea at noon on Saturday. Col. Whittlesey had gone to an Ameri-

taken at the moment when Gen. Charence
R. Edwards was pinning the Congressional Medal of Honor on Col. Whittlesey's breast, was that of the man who had departed on the Toloa at noon on Saturday.

Spirits Greatly Depressed.

Col. Whittlesey had told none of his intimates that he was going to Havana.
They know of no business engagement or contemplated vacation that would have taken him there. Robert Forsyth Little of the law firm of Whittlesey had been associated for just a year, saw him in the office on Fridayand understood that he intended seeing the Army-Navy football game the next day. On Friday night Col. Whittlesey asked Mrs. G. Sullivan, mistrees of the bachetor's boarding house at 136 East Fortyfourth street, where he lived before and after the war, that he would want an early breakfast as he was going out of town. He packed the bag and in the morning went away, having given no hint of his destination.

Mr. Pruyn said last night: "We have received no details from the ship—nothing but a confirmatory message. There seems to be no doubt that it was Col. Whittlesey. The only theory I can advance is this: You know that his expe
sion of the allied debt that have been proposed, such, for instance, as the can-cellation of Britain's debt on condition she cancel those of the other belligerents to her: unconditional cancellation on the ground that the loans were part of America's contribution to the war, or the acquisition by America of new trade routes in lieu of payment. He rejected all those, "We should repuise with vigor." he said, "any suggestion that these downs were not actual loans. I believe that we contributions toward the enemy's defeat and were only ostensible in a form contemplating payment."

Continuing briefly on this phase of the subject, Mr. Vanderlip pointed out that america's first great advanture in granting international credits would be inconceivable, in those circumstances, he said, that American investors would again go into their pockets to find funds for future international loans.

Anoth

seems to be no doubt that it was Col. Whittlesey. The only theory I can advance is this: You know that his experience in the army, especially in the Argonne, was a tremendous strain. It affected him more than his friends knew. His was always a reserved nature. He kept his feelings to himself. He did not break under this strain, or anythink like it. To all appearances he was normal. But on Armistice Day he went to Washington and took part in the ceremonies over the Unknown Soldier, as one of the Medal of Honor men. This, added to what had gone before, was more than he could stand. Outwardly there was no great change in him after he came back, but in talking to-day with those who knew him best I have come upon little details which, insignificant of themselves, indicate, when woven together, great depression of spirit."

Kept Sorrews to Himself.

Col. Whittlesey's uncle, C. W. Whittlesey of 51 East Pifty-eighth etrest, agrees with Mr. Pruyn. He said he had noticed a mental depression, dating from the trip to Arlington, and had continued to have come upon the trip to Arlington, and had continued to have a cancellation of the maintain an army of from seven to eight hundred thousand men."

Weuld Not Ask Trade Rights.

"I should likewise reject at once," Mr. Vanderlip continued, 'the suggestion that in exchange for cancellations we ask to be given trade concession—that we demand special commercial privileges. The genesis of our foreign policy has long been the open door, equal rights, a fair field. If we should through the cancellation of this indebted.

Col. Whittlesey's uncle, C. W. Whittlesey of 51 East Pifty-eighth etrest, agrees with Mr. Pruyn. He said he had noticed a mental depression, dating from the trip to Arlington, and had

Kept Sorrows to Himself.

Col. Whittlesey's uncle, C. W. Whittlesey of 51 East Fifty-eighth etreet, agrees with Mr. Pruyn. He said he had noticed a mental depression, dating from the trip to Arlington, and had spoken of it to his nephew, who had admitted that the scene and the recoilections it had induced were much on his mind. C. W. Whittlesey saw the Colonei last week and supposed that he was going to the country for the week-end. At the Williams College Club, of which Col. Whittlesey was a governor, and where he was often to be found of an evening, one of his friends said last night that he too had noted a change in the leader of the Lost Battalion since Armistice Day. Always quiet, if not reticent he had become even more so.

"His nature was very sensitive," this friend said. "Recently he seemed to be brooding over something. We didn't ask brooding over something. We didn't ask in the leader of the Lost Battalion since Armistice Day. Always quiet, if not reticent, he had become even more so.

"His nature was very sensitive," this friend said. "Recently he seemed to be brooding over something. We didn't ask what the matter was, but I know that he never had recovered from the shock of seeins so many men that he knew and loved killed in the Argonne, and I believe that this was intensified by the ceremonies at Arlington. A mere acquaintance would have said that nothing was wrong with him, but men who knew him best saw a change in him."

Among those who were questioned as to knowledge of Coi. Whittensy's intention to start on an ocean voyage were

to knowledge of Col. Whittlesey's intention to start on an ocean voyage were his two brothers, Melzer and Elisha Whittlesey. They said he had not epoken to them about it. His landlady. Mrs. Sullivan, who was a second mother to him, adored him both for his character and his bravery in war and spoke of him as "a scholar and gentleman." was prostrated last night and in the Summarised, Mr. Vanderlip's plan is

FAVORS USING ALLIED SEA AGREEMENT VIRTUALLY REACHED; OF LOST BATTALION, DEBT DUE US TO PUT JAPAN HALTS ASSENT FOR FEW DAYS; DISAPPEARS AT SEA EUROPE ON HER FEET

Wireless Message From the F. A. Vanderlip Suggests NIPPON'S PROBLEM Way to Benefit Economic Situation of World.

ENDED LIFE, IS BELIEF WOULD AVERT PARADOX

Called and Money Raised to Restore Industries.

HAD SHOWN DEPRESSION REJECTS OTHER METHODS

mate Payment Without Injury to Any Parties.

Frank A. Vanderlip, formerly presireturned last week from an extensive tour of Europe, told the members of for five days in the Argonne Forest, the Hotel Astor last night that the certain conditions the Economic Club of New York at time has come for the United States to perform the beau-jeste-the grand gesture-in international relationships She should require an acknowledgment and demand payment of the European allied debts, Mr. Vanderlip said, and then she should forego recelpt of the money on condition that every dollar that can be raised by the debtor nations shall be expended for their along lines to which this country must give her approval.

By this means, Mr. Vanderlip believes, the United States and Europe may be saved from the conseque of the economic paradox confronting them-the fact that America carnot tenant-Colonel and that he had taken afford at this time to accept payment of even the annual interest of \$500,-000,000 in goods, the only way in

"The crux of my plan would He in the disposition of the payments.
"I would have America make a beaujeste in international relationships. While demanding that the payment be made I would have her say that she is prepared for the present to forgo it. That is now the consequences of the paradox may be avoided.
"It is a commonplace to say that the greatest opportunity to benefit humanity that ever came to any man lay at one moment in he hands of Woodrow Wilson. The opportunity passed. Hopes were not realised.
"To-day the same opportunity lies at the feet of America. Its fate no longer rests in the hands of one individual; it is the responsibility of a whole people.

TOKIO TO RECALL TROOPS IN CHINA

China to Be Rid of Foreign Post Offices and Can Regulate Mails.

CARE OF NATIONALS

HOPES TO CONTROL OPIUM

Wants Police Boxes and Radio Stations Taken From Her Territory.

Special Despatch to THE NEW YORK HERALD New York Herald Bureau,) Washington, D. C., Nov 28.

Settlement of the Far Eastern probdent of the National City Bank, who lem moved steadily forward to-day when Japanese spokesmen in committee stated it was Japan's intention to withdraw its troops from China under

A more definite step was the decision to remove foreign post offices from China on condition that China maintain an efficient postal service be fixed later, pending communica-tions between the Japanese delegation and the home Government in Tokio,

Because it is charged that the foreign post offices are being used for smug-gling opium into China, Chinese postal authorities at once may examine all mall entering China, with the exception of ordinary letters, whether registered or not.

Request on Troops Goes Over.

The Chinese request for the removal of foreign troops and other establish-ments not authorized by treaty is before the conference and will be taken up at the next meeting. These establishments nclude police boxes, telegraph and wire The official communique for the day

The committee received the report of the subcommittee on foreign post offices in China and adopted it unanimously, the date on which it shall come into force and effect being deferred for public announcement in the near future. The report as adopted is as follows:

A. Recognizing the justice of the deaire expressed by the Chinese Government to secure the abolition of foreign postal agencies in China, except in leased territories, or as otherwise specifically provided by treaty, it is resolved:

1. The four Powers having such postal agencies agree to their abandonment, subject to the following conditions:

conditions:

(a) That an efficient Chinese postal service is maintained:

(b) That an assurance is given by the Chinese Government that they contemplate no change in the present postal administration so far as the status of the foreign codirector general is concerned.

2. To enable China and the Powers concerned to make the necessary

ers concerned to make the necessary dispositions this arrangement shall come into force and effect not later

ter), passing through them, with a view as to ascertaining whether may contain articles which are dutiable or contraband or which otherwise contravene the customs regulations or laws of China.

The committee also decided that

or laws of China.

The committee also decided that there should be constituted a standing subcommittee on drafting, to be composed of a delegate appointed by each Power.

The committee then adjourned, to meet to-morrow, November 29, 1921, at 11 o'clock A. M.

Chinese Solution Approaches.

Chinese Solation Approaches.

Step by step, it is indicated, the solution of the Chinese problem is being found. The question of the removal of foreign troops involves more delicate questions than that of the removal of foreign post offices. Japan is undecided on when and under what exact conditions the latter shall be done. The decision to refer this part of the decision to the home Government at Toklo indicates that from now on there will be closer cooperation between the home Government and the delegation at Washington.

The statement that Japan is prepared to remove her troops from China was made with the explanation that Japan will have to consider the matter carefully, as there are many more Japanese in China than other foreigners, and that troops may be considered necessary for their protection.

The removal of foreign troops raises the Shatter guestion where Japan has

the Shantung question, where Javan has troops to protect the railroad running from Klauchow north. The Japanese delegates intimated plainly to-night they were prepared to 'move their troops from Shantung provided China meets certain conditions.

These conditions are involved in the

These conditions are involved in the controversy between Japan and China over Shantung. Efforts are being made by the Japanese to settle this controversy outside of the conference, but the Chinese delegates maintain their stand that the matter should be settled either in the conference or within the view of the conference. The result is a deadlock, the precipitation of the foreign troops question making it certain that the entire Shantung question is to be disclosed.

Harry Blake, alfas "Connection

lyn to participation in the robbery of the Beliport L. I., post office in January, 1920, in which about \$5,000 was ob-tained, was sentenced yesterday to four years at the Federal prison in Atlanta.

LAND ARMAMENTS NEXT UP FOR DISCUSSION BY NATIONS

Special Despatch to THE NEW YORK HERALD.

New York Herald Bureau. Washington, D. C., Nov. 28. EVELOPMENT of the idea of continuing sessions of the arms conference as the goal toward which President Harding is aiming suggests that land armaments will be the next object of international consideration.

It became known to-day that foreign delegates who have been reflecting upon the White House hint relative to continuing session with the correlated phase of "nations in association" are frankly of the opinion that the success of this conference will lead logically to consideration of land armaments. Men close to the Administration are inclined to the same belief.

It is recognized here that Premier Briand's declaration relative to the conditions which force France to remain armed has postponed consideration of land armaments, but has postponed it only. Limita tion of naval armaments, they point out, will be but a beginning, and that relief from the burden of land armaments is as pressing as that of naval armaments. The European delegates to the conference, who are quietly encour

aging the idea of a second conference to deal with land armaments, are fully cognizant of the prejudice which exists here against meddling with European affairs. Accordingly they are advocating only moral support on the part of the United States in such a programme.

It is believed here that calling an international conference to discuss land armaments, to which Germany would be invited, would develop whether or not the new German republic is secretly arming, as France persists in believing. It would also give opportunity to compel further commitments from Germany which would give to France an assurance which she does not feel that she possesses now.

The change will be made at a date to be fixed later, pending communica-ON MYSTERIOUS VISIT JAPAN NEEDS 70 P.C.

as Least Strength Re-

quired for Security.

Relative Size, Chief Ob-

ject of Parley.

tion to the Washington conference,

Vice-Admiral Kato, who is regarded

naval strategy, declared that the main

"Japan accepts this issue

onstruction and old battleships.

naval ratio is a question of grave con-cern to the security of the nations. I

accomplished by a thorough understand-ing of all these participating.

"People of all countries," he said,
"must be in full agreement. Otherwise,
even though an agreement may be made,
it might create an unpleasant feeling

and defeat its purpose. To meet the desires of the Japanese people as to their national defence I believe that a 70 per cent. ratio, as compared with the United States and Great Britain, is nec-

"The main issue in the limitation of armaments, as I have stated above, is to relieve the burdens of the nations. Japan has shown her hearty accord to

nese Empire 70 per cent, is necessary.
If the ratio of 70 per cent, is accorded

Simons, Also Ex-Cabinet Min- Hopes America Will Accept It ister of Germany, Accompanies Him.

FRENCH ARE SUSPICIOUS TONNAGE NOT MAIN THING

and Briand Urged to Allay Friction.

Special Cable to THE NEW YORK HEEALD. Opporight, 1921, by THE NEW YORK HEEALD.

Dr. Walter Rathenau, former Gernan Minister of Reconstruction in the capital ships is necessary, Vice-Ad- pire. Wirth Cabinet, who signed the Weis- miral Kanji Kato, president of the baden agreement with France, and Japanese Naval College and chief Dr. Walter Simons, former German Cabinet, arrived at the Carlton Hotel said to the Associated Press to-night here to-night, maintaining the same in an interview. mysterious secrecy regarding the purpose of their visit here as did Hugo as the leading Japanese authority on

Both Dr. Rathenau and Dr. Simons Issue for the Conference on Limitation have long been concerned with repara- of Armament was the reduction of declared by the representatives of tions, and they are known to be anx- armament burdens. ment, due on January 15. Both have been eloquent in predicting a Euro-Their visit is regarded as a sequel to the Stinnes negotiations here. Also it is regarded with misgivings officially because of the strained relations with

A high French official told THE NEW YORK HERALD correspondent that the visit of Rathenau and Simons may cause tainly suspicion, in the light of the may have a far reaching effect, and many consider it affords another reacon why Prime Minister Lloyd George should confer with Premier Briand of France

Ruhr occupation.

PLAN FOR GERMANY Talk of Anglo-American Pact to Bar Dumping, Get Tax.

SALES TO RUSSIA AS

New York Herald Bureau. | Berlin, Nov. 23. Indications are that if Germany were

Special Cable to THE NEW YORK HERALD

ns problem might prove a chief

ministee of the Reichstag. I s closest friends he refused use the nature of his London angry that so much about his trip become known. He insisted his Continued on Page Six.

Confinued on Page Two.

HITCH IS SCOUTED

America and Britain Agree and Japanese See No Chance of Any Breakdown.

TOKIO'S CASE FINISHED

Even if Superdreadnought Mutsu Is Doomed Nippon Will Yield.

ALLIANCE SPIRIT GROWS

British Said to Be Anxious for Its Continuance Because of India.

By LOUIS SEIBOLD. sepatch to THE NEW YORK HEEALI

New York Herald Bureau. Washington, D. C., Nev 28. complete and satisfactory agree ment by Great Britain, Japan and the United States over naval arma ments is expected within the next two or three days. This statement is made on au

thority of representatives of the three countries on the committee which has been analyzing the plan proposed by Secretary Hughes at the first session of the international conference. Further confirmation was obtained to-day from the spokesman for the Japanese delegation, who asserted

that "there does not seem to be any possibility for disagreement on the Early Meeting of Lloyd George | Limitation of Armament, Not | cording to the Japanese official, "the negotiations have progressed beyond the point where a disagreement is regarded as possible." The only formal statement on Japan's position on navies was made

> Press) .- To safeguard properly the expert with the Japanese delegation. interests of the Japanese Empire a who said that Japan needed the 76 ratio of 70 per cent, in tonnage of per cent, ratio to safeguard the em His attitude is that of the Japanese experts, but the word of Admira naval adviser to the Japanese delega- Baron Kato and the delegates, stated

on the basis of the political consid

erations involved, will outline the

Washington, Nov. 28 (Associated by Vice-Admiral Kenzel Kato, nava!

true Japanese position in the confer That England and the United States have reached a nagreement is whole- of the complete concurrence of Japan beartedly" he continued, "and is quite may come any day this week. Ja prepared to scrap capital ships under has already completed her case. He experts have presented full data re garding her navy in support of he hope the United States will accept the request for the exemption of the 70 per cent, for Japan, which is the superdreadnought Mutsu from operaminimum of strength required for her tion of the schedule of control of the schedule of

The Vice Admiral remarked that the agreement to limit armaments must be accomplished by a thorough understand-

The Japanese experts have endeav ored to show that the Mutsu was actually commissioned, with a full complement of officers and men, on October 20 last; that she has steamer approximately 3,000 miles, and is therefore exempt from the provisions

of the American plan for disarma ment of ships of comparative type

If Mr. Lloyd George does this ti will further postpone his departure for Washington, which now is believed cannot take place before December 10. A report that he intended to meet Fremier Briand when the latter arrives in France has been officially denied, but the latest developments in Anglo-French questions may necessitate such a conference.

Dr. Rathenau tried to visit London shortly after the war, but was refused a passport. The last time Dr. Simons was here was last spring, when he headed the German delegation to the reparations conference, which failed to reach an agreement and which resulted in the Ruhr occupation.

Dr. Rathenau tried to visit London shortly after the war, but was refused a passport. The last time Dr. Simons was here was last spring, when he headed the German delegation to the reparations conference, which failed to reach an agreement and which resulted in the Ruhr occupation.

Dr. Rathenau tried to visit London shortly after the war, but was refused a passport. The last time dot whole-sale scrapping of capital ships under construction as well as old ships. This just that the battleship Maryland was actually put in commission after that the cause it indicates that in the future there cause it indicates that in t no chance for final disagreement."

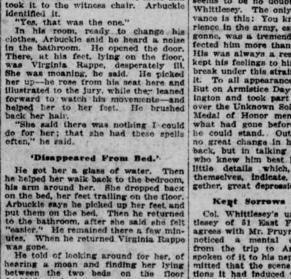
"When it comes to national aspirations and the general security of the
State, I believe it best for the country
concerned to decide what those national
aspirations are and what security is
needed to safeguard them. The preamble to the American proposals specifically says that the United States believes that the plan later presented safeguards the interests of all concerned.
Let me emphasize again that in order
to safeguard the interests of the Japanoe chance for fiual disagreement."

This assurance—the first to emanate from Japanese sources—has
created a very tavorable impression
among delegates representing all the
countries despite the fact that the
real test of Japanese sincerity regarding the conference will not be
reached until the delegates have set
nesse Empire 70 per cent. is necessary,
about unscrambling the Chipa eggs. about unscrambling the China eggs. pur- in which undertaking Japanese inter

If the ratio of 70 per cent, is accorded to Japan this does not mean the purpose of the conference is defeated, because, as I have pointed out before, the main purpose of the present meeting in. Washington is limitation of armaments. The relativity of tonnage is not the principal issue."

In closing Vice-Admiral Kato contended that the capacity of Japan to replace her warships was infinitely less than that of the United States. Japan, he said, would be quite unable with her present rhipbuilding and industrial strength, and taking into account the paucity of her raw material, more especially and conference. Eritish, Japanese and strength, and taking into account the paucity of her raw material, more capecially steel, to engage successfully in American delegates have discussed the ships.

For instance," he said, "do you real-Great Britain is understood to be more concerned at this time for a reize that the yearly output of steel in Japan is only \$00,000 tons, whereas in newel of the alliance than Japan. Representatives of the latter country as



Continued on Page Four.